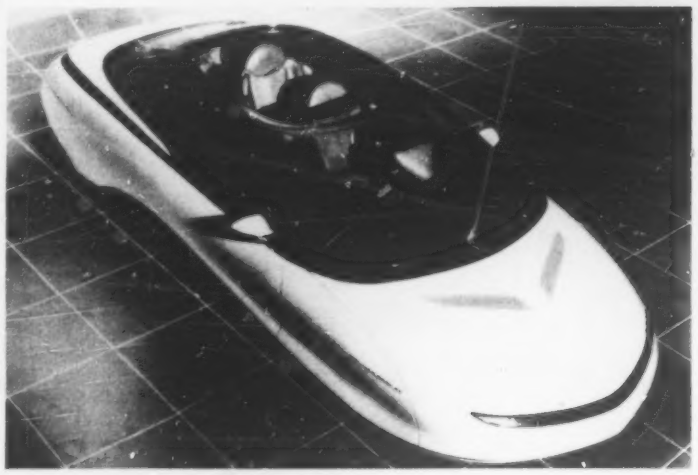
At L.A. auto show
Volkswagen Scooter, a cross between a motorcycle and a sports car, will be among the concept cars featured at the 1988 Greater Los Angeles Auto Show. Also appearing at the show will be the Nissan ARC-X, a futuristic family sedan; Chrysler Portofino, a 150-mph touring sedan that's powered by Lamborghini; and Chevrolet's Aero 20003A, a car that boosts one of the lowest drag coefficients, 0.166. The show will be held Jan. 2-10 at the Convention Center.



Pontiac's Pursuit
Pontiac Pursuit packs four-wheel steering, four-wheel drive, and a four-cylinder engine pumping out 200 horsepower. It will be among the numerous concept cars on display at the Los Angeles show. Also competing for the attention of car buffs will be the Mitsubishi X2S, a two-seater designed by the automaker's styling studio in Cypress, Calif.; and the Ford Bronco DM-1, a concept vehicle that features privacy glass that changes from opaque to transparent at the flip of a switch.

Claybrook suing on passive belts

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Joan Claybrook, former head of NHTSA and current president of Public Citizen, is recruiting other consumer groups to join in a suit against NHTSA over the agency's decision to grant a four-year delay for installation of passenger-side passive restraints.

NHTSA ruled in favor of Ford Motor Co.'s petition last March. It has denied Public Citizen's request to rescind the decision.

Public Citizen will be joined by the Center for Auto Safety, U.S. Public Interest Research Group, Massachusetts Public Interest Research Group and possibly other organizations.

The groups are challenging the four-year delay that NHTSA has granted the automakers, allowing them to use the manual 3-point belts on the passenger side until 1994 instead of 1990. The belt can be uses the belt if the driver's side has an air bag and the passenger's belt has been tested with an instrumented dummy in a 30-mph head-on crash into a fixed barrier.

The suit is expected to ask the U.S. Court of Appeals for the District of Columbia circuit to review NHTSA's decision to allow the delay and to ask the court to find that the denial of Public Citizen's petition for reconsideration was arbitrary and capricious.

On the assumption that the automakers will have until the 1994 model year before being required to offer full passive front-seat protection for both the driver and passenger, many auto companies have volunteered to produce millions of air bags and their suppliers have geared up that production for 1990 and later models. That outlook has now become clouded with litigation that could consume years.

This is the latest in a long series of petitions, delays, congressional actions and court suits involving passive restraints since the safety agency in 1969 first proposed the use of automatic belts or air bags or any other passive system to protect occupants.

The Ford proposal to delay implementation of the rule was supported by all the auto companies, the Insurance Institute for Highway Safety and State Farm Mutual Insurance.

But the Ford proposal was opposed by the Center for Auto Safety and by Public Citizen, which called the four-year delay in total passive protection "unconscionable" and then petitioned NHTSA to reverse its earlier decision. NHTSA said Claybrook had "misunderstood much of the rule" when it recently denied Public Citizen's petition.

The passive-restraint standard took effect with the 1987 model year. Ten percent of a manufacturer's 1987 car production was required to provide front-seat passive protection. Except for Ford's optional driver's side air bag, that was met mostly with passive belts.

A 25 percent mandate took effect with the 1988 models. It rises to 40 percent for 1989 models and reaches 100 percent the 1990 models unless by April 1989, states with two-thirds of the nation's population have in place mandatory seat-belt-use laws meeting certain federal criteria.

The exception for the front-seat passenger was requested by Ford because of various technical, engineering and supplier problems. Ford explained it preferred air bags to automatic belts and, if granted the exception, the company said it would produce a 1988 model with full front air-bag protection and produce between 500,000 and 1 million cars with driver's-side-only air bags between the 1990 and the 1994 model years.

Banking on NHTSA agreeing to the Ford petition, General Motors promised 3 million driver's-side air bags by the 1992 model year. Chrysler promised one model with a driver's-side air bag for the 1988 model year and driver's-side-only air bags across the board by 1990.

The Insurance Institute for Highway Safety hailed NHTSA's granting of Ford's petition as the "key" to the future of the air bag because it will give automakers ample time to design the system into future products.

In making the decision to allow four extra years for the phase-in, NHTSA had relied on a cost/benefit study performed by Ford and the insurance institute, claiming the "use rate of automatic safety belts must be at or near 60 percent before the benefits of those systems exceed the benefits of driver-only air bags."

The government described its acquiescence as a way to encourage early installation of air bags.

The arguments expected to be used in court are the same used in Public Citizen's petition: that NHTSA's action was not in accord with the remand given by the U.S. Supreme Court when it overruled former Administrator Raymond A. Peck's decision to rescind the passive restraint standard in 1981 on the grounds of cost and lack of public acceptability.

UNION WIN: *Cars & Concepts weighs options following UAW ratification vote*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Production workers at Cars & Concepts Inc., a Brighton, Mich., auto customizer, have voted to join the UAW.

The successful 306-242 vote on Dec. 18 came after four previous attempts by the UAW and the Teamsters to organize the plant. A UAW spokesman said it is an important victory for the union, because Cars & Concepts is a "highly visible" automotive supplier.

Though most customizing and specialty vehicle firms are not unionized, their workers perform jobs similar to those in Big 3 auto plants, and the larger firms supply the Big 3.

Cars & Concepts workers produce vehicle conversions with convertible tops, T-roofs, vinyl roofs and sunroofs. They also customize bodies and interiors.

The UAW expects the election to be certified by the National Labor Relations Board. David L. Draper, Cars & Concepts president, said Tuesday that the company was evaluating its options. It had five working days to file an objection to the election.

"Obviously we're disappointed," said Draper, adding that about 70 eligible workers did not vote.

Cars & Concepts, with a total workforce of 1,200, has about 615 active production workers at its Brighton plant. The company has a plant in Missouri and will open another in Delaware Feb. 1.

Betty Harrison, UAW international representative who directed the organizing drive at Cars & Concepts, said the Brighton workers were concerned primarily with wages, health and safety and quality.

She said Cars & Concepts was "exploiting workers" by paying them $4-$5 an hour and working them very hard, and that contributed to a turnover rate of 600 workers since the beginning of 1987.

Draper said, "Our workforce has traditionally been quite young. A lot of young people just out of high school in this area are looking for this kind of job."

Draper said Cars & Concepts has always promoted from within, with several executives and all of the plant managers starting on the assembly line.

Draper said he could not "respond to the accuracy" of the turnover figure for 1987. "I don't know," he said. "I don't know how she (Harrison) would know."

As for wages, Draper said he wished he could comment but, "Facing a negotiation period, that would be foolish."

Harrison said that Cars & Concepts management tied GM plant closings to the union and showed a video of strike violence at a non-automotive firm.

Draper said, "We have an obligation to our employees to present the facts about unionism. That is a right we have by law. I think it's important as an employer to let your employees know, especially with a predominantly young workforce, what can happen if you choose to elect a union."

Cars & Concepts was founded in 1976. The company changed hands in a $25 million management buyout in 1986. Masco Industries, Taylor, Mich., bought Cars & Concepts from the management group last June.

INDEX

Auction dates	22
Classifieds	23
Coming events	22
Extra section	E1
News briefs	8
Obituaries	40
Opinion	10
Personnel	18-19
Production	30
Truck industry	14

63rd year—No. 5213

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Agreement sought in all-terrain- vehicle controversy

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — What to do about all-terrain vehicles was being discussed last week as the Justice Department, acting as lawyer for the Consumer Product Safety Commission, tried to reach an agreement with Lloyd Cutler, a prominent Washington attorney acting for the ATV industry.

None of the parties involved in the negotiations would comment, and the makers themselves said they were being kept in the dark until there was a firm proposal to accept or reject. Like any other consent settlement, it would have to be ratified by each ATV maker and would be in lieu of a lawsuit.

Speculation centered on a possible ban of any future three-wheeled ATVs, labeling of potential rollover problems on the four-wheeled ATVs and safety education to be required for all drivers, who are unlicensed and who are often children. Earlier speculation involved a possible buyback of all the three-wheeled ATVs, which could have cost the industry upward of $1 billion.

But at the last minute, two Democratic congressmen heading House consumer groups — Doug Barnard of Georgia and James Florio of New Jersey — called the proposed agreement "woefully deficient" and asked for a delay to get public comment and to allow them to intervene in any suit the government might file.

Dec. 30 is the time set for a consent decree accompanied by a court case so the companies can make a choice.

The makers are mostly Japanese — Honda, which accounts for more than half the imports; Suzuki, which makes more of the very small ones used by children; Yamaha; Kawasaki; and Polaris, an American firm with a very small share. There are said to be hundreds of product liability cases in the courts, usually involving rollovers, allegedly from driver misuse or from a high center of gravity, and possibly involving improper pressure in the very wide tires. Figures used by congressional subcommittees show that since 1982, ATVs has been involved in more than 800 deaths and more than 275,000 injuries about half of which involved children under 16.

The companies admit to no safety defects. Honda says there are more accidents with the three-wheelers simply because there are more of them than four-wheelers.

YOU'VE BEEN ROBBED...

. . . if you're buying automotive chemicals from a middleman distributor.

BUY FACTORY DIRECT AND *SAVE!*

PAINT SHIELD only $3.50 per car!

Rustproofing and fabric protection at similar savings.

CALL TOLL FREE
1-800-453-7333 Ext. 28

PEARL-GUARD
"The Smart Dealer's Source!"

VAN PATTON VAN '88 HIGH TOP SPECIAL!

Loaded with 30 std. specs. including: 4 exec. seats & sofa-lounge, deluxe AM/FM stereo, opera lights, oak overhead console, oak tables, cont. kit, full auto paint, venetian blinds & drapes, carpeting, fully insulated, aluminum ladder, plus 16 other exciting amenities!

Dealer Option: FREE TV/ VCR or CELLULAR PHONE!

Reg. Conv. Price: $5675 $4675.00

Dealers Welcome! Call:
219-293-4527
VAN PATTON VANS
Since 1968
22865 Pinecreek Rd., Elkhart, IN

SMALL CAR DEALERS LOOK AT US THIS WAY

Rust Protection Finish Sealant Interior Preserver
It's all just a free phone call away . . .
1-800-LIKE NEW
(Inside New York 1-800-333-7237)
DuraGuard, Inc.
AUTOMOTIVE VALUE PROTECTION
20 Cottage Place New Rochelle New York 10801

OVERCAPACITY

FROM PAGE 1

clear threat of even more plant closings as an alternative.

Plant capacity is a difficult quantity to measure because of the flexiblity of line rates and other factors that can be adjusted to raise or lower a plant's output. There are various definitions of capacity and various ways to measure it.

Ronald A. Glantz, Montgomery Securities automotive analyst, defines a plant's capacity as its output on two shifts for 220 days.

"Add to that another one shift for 48 days plus another four hours a day for 220 days and you have maximum capacity without violating the labor agreement," Glantz said.

Others, including General Motors, simply define excess capacity as the difference between demand and the ability to produce, either globally or in local markets.

How much excess capacity there is — and the chilling corollary considerations of how many more plants will have to be mothballed and how many more workers will lose their jobs — have become key questions for industry forecasters and planners.

Adding to longer-range forecast uncertainties, according to Hilty, are market share considerations, particularly as they relate to traditional domestic manufacturers, the transplants and importers.

Hilty and Chrysler believe that because of the specter of excess capacity and additional plant closings, there will be renewed, "mounting pressure" to establish a new quota of 1.7 million imported Japanese cars.

Maryann Keller, Furman Selz Mager Dietz & Birney vice president and automotive analyst, said local-content requirements offer another alternative.

Hilty said that right now, the traditional domestic manufacturers have total North American (U.S. and Canada) car and truck capacity of 15.6 million units and that in 1987, 4.4 million units of capacity were unused.

Hilty said that including announced closings and startups, like GM's Saturn project, there will be capacity of 14.0 million units for the traditional domestic producers in 1992, without more closings.

"On a trend basis, the way we're going, with the cost penalties the traditional domestics have, it's easy to imagine that we could source maybe only 10 million by 1992," Hilty said.

"So we could have at least four million unused capacity on a trend basis."

He said the transplants have total capacity of 1.5 million now and that 600,000 units of it was unused in 1987 due to slow launch curves at the NUMMI plant in Fremont, Calif., and the Ford-Mazda plant in Flat Rock, Mich., as well as Volkswagen's cutbacks in Pennsylvania.

By 1992, Hilty estimates the transplants will have total capacity of 2.7 million units, not including the 300,000 at VW's Westmoreland, Pa., plant, which is scheduled to close at the end of the 1988 model year.

Excess capacity for the transplants will be determined by how much of the demand for their products is supplied by imports rather than local assembly.

Chrysler estimates import car and truck sales at 4.5 million for both 1987 and 1992.

Although Hilty frames the over-capacity problem in North American terms, he believes it extends beyond North America.

He said all three sources — traditional domestics, transplants and importers — will have some hard decisions to make.

Keller agrees.

"A tough competitive market means a tough competitive market for everybody," she said.

The market will be so tough and competitive, in fact, that Hilty and Keller agree that the domestics — GM, Ford and Chrysler — will have to close plants or cut costs, while Japanese makers will have to decide whether to export to the United States or assemble in North America.

George C. Eads, GM's corporate economist, throws the overcapacity even farther offshore.

Eads said he believes there will be worldwide excess auto assembly capacity of about 6 million units by 1990.

That is based on his estimate that by 1990 worldwide demand for autos (cars and vans) will equal 31 million units while "ability to produce" will equal 37 million units.

Eads computes market-by-market excess capacity as total production capacity in the market less demand in the market.

"If you look at the total demand in North America and the total ability to produce in North America, there is not excess capacity here," he said.

But he dismisses the fact that part of the North American demand is met by imports.

However, in Eads' opinion, the excess capacity situation will be resolved on a worldwide basis — not within the confines of local markets, like the United States, for example — because of the global nature of the auto industry.

"That (excess) capacity is going to come out of whoever ends up being the high-cost producers — no matter where they happen to be located," Eads said.

"I've seen too many calculations that start roughly with what I've been talking about or a residual number — and end up with four million excess capacity or two million excess capacity in the U.S., and they subtract that from the GM total, or the GM and Ford total and there ends up being no GM or Ford.

"That's not the way the world is going to be, because we don't plan to sit here and not reduce our costs."

Although Eads believes there will be a global resolution, he is at the same time very parochial about the actual location of the excess capacity pockets, using his formula of in-market ability to produce less in-market demand equals excess capacity.

In fact, Eads believes that North American demand will outstrip capacity by 1990 but that there will be "significant" excess capacity in Japan and newly industrialized nations and "some" excess capacity in Europe. Eads says he believes those countries will no longer enjoy a disproportionate competitive advantage over North American producers.

Hilty and Eads said that Japanese companies will be under cost pressures and ultimately may have to make decisions — economic or nationalistic — about sourcing, in effect allocating production to factories either in Japan or the United States.

The same is true for current low-cost producers.

Eads said that it is not safe to assume that a plant in a low-wage country will remain low-wage, due to currency fluctuations or other changes, or that it will have acceptable quality.

"You can't then just land that stuff in the United States and assume it'll be snapped up," Eads said. "Nothing's automatic about this.

"It's going to be a very hard fight," Eads added. "Much of the fight is going to occur in this country, but I don't think there is an auto plant in the world that can assume it is safe no matter what it does.

"All manufacturers, no matter where they are, are going to have to really keep on their toes . . . make sure the product is good, the costs are low . . . and that's going to ensure survival."

Automotive News Staff Reporter Michelle Krebs contributed to this report.

HAHN

FROM PAGE 2

Hahn said it is "not yet determined" if production of the subcompact VW Polo, now built both in Germany and by Seat in Spain, will move entirely to Spain because of lower production costs. German unions have strongly opposed such a transfer.

"It is an open issue," Hahn said. "We've had talks with our union people here about improvements in productivity."

He said rising labor costs in West Germany, where earlier this year metalworkers won a decrease in the work week to an eventual 37 hours, could undermine German competitiveness.

"It's a serious problem when you work so many hours less than other countries," he said.

But Hahn said he does not view the trend as a threat to German sourcing of VW's bread-and-butter Golf model.

"Our infrastructure for the Golf, which will last for additional models, and the number of Golfs we build, permit us to produce successfully here," he said.

Hahn said Europe, which is in its fifth year of expansion with sales expected to surpass 12 million units in 1987, "will come now to a technical consolidation."

"That still means an enormous market," he said. "But you cannot expect that Europe will go up again, notwithstanding that three European markets — France, Italy and Spain — seem to be in strong expansion. He predicted that both Italy and France will go over 2 million units in sales for the first time in 1987.

"We think that the stock market and dollar might not affect the European scene too much," he said. "Everyone feels a little nervous about it, but we have no indication in our new-car orders so far that consumer confidence in Europe has been affected."

Hahn said the rapid decline of the dollar against the mark won't impact timing or allocation decisions concerning German-sourced exports to the United States.

"The present situation is painful for exporters, but we had foreseen this development, which is why we have changed sourcing to Brazil," he said. "When business gets more difficult, you have to work more. It's not a matter of delaying anything."

Hahn said supplies of the Brazilian-built Fox subcompact in the United States will improve markedly in 1988. Shipments this year have been interrupted by strikes and other problems.

"We have a capacity that will be better utilized in Brazil," he said. "I think that Fox sales next year will be at least 50 percent up over this year."

Introduced last spring, the Fox helped bolster falling VW-Audi sales in the United States this year. With better availability of the Brazilian car and the new Audi 80, Hahn predicted that in 1988 the group in the United States "will hold our volume, as we are in a declining market."

As for Audi's lingering image problems because of the sudden-acceleration controversy, Hahn said, "We are not blind to the fact that this battle is not over." He said the new 80 model "will be an excellent tool for stabilizing the Audi franchise."

In Western Europe, the VW Group, including Audi and Seat, apparently will finish 1987 as number one in sales for the third straight year. However, some analysts believe Fiat Auto's new Golf competitor, the Tipo, will put the Italian group on top in 1988.

"We will try to be number one again, but whether we make it depends on many factors that are not all predictable," said Hahn. "They (Fiat) have new vehicles, we have new vehicles."

Hahn expects an agreement under which Nissan has assembled and marketed VW's Passat-based Santana in Japan to be renewed, even though the car has never reached sales levels that had been forecast. A new Passat (Quantum) to be unveiled by VW early next year is expected to be licensed for production by Nissan.

"We have already said in principle that we are going the way of continuing our joint venture," said Hahn.

Beginning in 1989, VW will begin producing Toyota-designed pickups in Hannover, West Germany, in order to make use of excess capacity. Speculation has surrounded a joint passenger-car deal in Europe, but Hahn said there are no plans or discussions involving Toyota.

In South America, the first year of operations for Autolatina has been fraught with troubles. Autolatina has won a preliminary ruling from an appeals court allowing it to raise prices in accordance with an earlier agreement with the Brazilian government. However, the legal battle continues and some economic analysts in Brazil say there is a risk that Autolatina could pull out of the country if the government continues to take a hard line. But Hahn said the joint company will not withdraw.

"The court, which has taken our side, has reassured us that there is in Brazil a legal system that also gives a foreigner equal rights."

But before committing to reinstatement of postponed investment plans in Brazil, Hahn said, "We have to see what damage this economic situation has caused us. You can be sure we will do the maximum and the reasonable.

"I'm very positive about the start of Autolatina," he added. "This company had a flying start under the most adverse conditions."

Hahn promised no more surprises in connection with the foreign currency scandal that brought criminal charges against VW officials earlier this year. There were recent reports that new evidence of additional losses through embezzlement had been uncovered by investigators. Hahn said, however, that the 473 million marks ($292 million) set aside earlier this year to cover losses remains sufficient.

"There is nothing on our books left (to cover additional losses,)" he said. "Everything is cleaned out. The cheating that had been going on in the past years already had reduced our profits."

Hahn said VW still hopes to recover a portion of the lost funds through civil action.

COMING EVENTS

General

Jan. 11-13 — Limousine and Chauffeur Show, Atlantic City Convention Center, Atlantic City, N.J., (800) 732-7117

Jan. 13-15 — The Conservation Foundation's Conference on Substitutes and Alternatives to Chloro-fluorocarbons and Halons, Mayflower Hotel, Washington, (202) 293-4800

Jan. 13-17 — Eastern Auto Auction Association meeting, Grand Barbados Beach Hotel, Barbados, (416) 275-3000

Jan. 18-20 — Second International Ryder Conference on Special Performance Plastics & Markets, Hyatt Regency New Orleans, New Orleans, (201) 887-2178

Feb. 1-5 — SPI Composites Institute Conference and FOCUS 88, Cincinnati Convention and Exposition Center, Cincinnati, (212) 481-4488

Feb. 6-9 — National Automobile Dealers Association Convention, Moscone Convention Center and Brooks Hall Civic Auditorium Complex, San Francisco, (703) 821-7143

Feb. 9-11 — SME Measurement Error Analysis Seminar, Sheraton Old Town, Albuquerque, N.M., (313) 271-1500

Feb. 11-12 — University of Michigan's Negotiating with the Japanese seminar, University of Michigan, Ann Arbor, Mich., (313) 936-2188

Feb. 14-18 — Autopartac, Olympia 2, London, (301) 459-5927

Dealer conventions

Feb. 10-13 — National Independent Automobile Dealers Association, San Diego Marriott Intercontinental, San Diego, (214) 556-0044

Auto shows

Jan. 2-10 — Greater Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, (818) 995-8990

Jan. 8-10 — Greater New Orleans International Auto Show, New Orleans Convention Center, New Orleans

Jan. 8-18 — Philadelphia International Auto Show, Philadelphia Civic Center, Philadelphia, (800) 345-1487

Jan. 13-17 — Syracuse Automobile Dealers Auto Show, Onondaga County War Memorial, Syracuse, N.Y., (315) 474-1041

Jan. 13-24 — Brussels Auto Show, Brussels Exhibition Center,Brussels, Belgium, 32-2-771-0085

Jan. 14 — Utah Auto Show, Salt Lake City's Salt Palace, Salt Lake City, (801) 484-8845

Jan. 14-24 — Montreal Auto Show, Place Bonaventure, Montreal

Jan. 15-24 — Geneva Truck Show, Geneva, 41-22-98-11-11

Jan. 16-24 — Detroit Auto Show, Cobo Hall, Detroit, (313) 643-0250

Jan. 16-24 — International Auto Show, Baltimore Convention Center and Festival Hall, Baltimore, (301) 383-1200

Jan. 23-31 — Pennsylvania International Auto Show, State Farm Show Complex, Harrisburg, Pa., (800) 345-1487

Jan. 26-31 — Greater Metro Portland International Auto Show, Memorial Coliseum Complex, Portland, Ore.

Jan. 27-31 — Greater St. Louis International Auto Show, Cervantes Convention & Exhibition Center, St. Louis, (314) 721-4682

Feb. 3-7 — Houston Auto Show, Astro Hall, Houston

Feb. 3-7 — York Auto Show, York Fairgrounds, York, Pa., (800) 345-1487

Feb. 4-13 — Amsterdam Truck Show, Amsterdam, Netherlands

Feb. 4-13 — RAI Commercial Vehicle Show, RAI International Exhibition Centre, Amsterdam, Netherlands, 31-20-549-1212

Feb. 5-7 — Michiana Auto Show, Century Center, South Bend, Ind., (219) 291-0425

Feb. 6-14 — Columbus Auto Show, Veteran's Memorial, Columbus, Ohio

Feb. 10-14 — Greater Milwaukee Auto Show, Milwaukee Exposition & Convention Center & Arena, Milwaukee, (717) 657-1310 or (800) 345-1487

Feb. 10-14 — Buffalo Auto Show and Trade Exposition, Buffalo Convention Center, Buffalo, N.Y., (216) 241-1199

Feb. 11-14 — Tarrant County Auto Show, Tarrant County Convention Center, Fort Worth, Texas

Feb. 13-21 — Chicago Auto Show, McCormick Place, Chicago, (312) 698-6630

Feb. 16-21 — Pittsburgh Auto Show, David L. Lawrence Convention Center, Pittsburgh, (412) 373-8380

AUCTION DATES

Chrysler Motors

Jan. 5 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Jan. 6 — Butler Auto Auction, Gibsonia, Pa., A.D.E. of Birmingham, Birmingham, Ala.; Minneapolis Auto Auction, Plymouth, Minn.; Southwest Auto Auction, Phoenix, Ariz.; and Denver Auto Auction, Aurora, Colo.

Jan. 7 — Clanton's Auto Auction, Darlington, S.C., and Northway Exchange, Clifton, Park, N.Y.

Jan. 8 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Jan. 5 — Harrisonburg Auto Auction, Harrisonburg, Va.

Jan 6 — Northway Auto Auction, Clifton Park, N.Y.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

Jan. 7 — Albuquerque Auto Auction, Albuquerque, N.M.; Minneapolis Auto Auction; Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Dec. 22 — Florida Auto Auction of Orlando, Ocoee, Fla.

Jan. 5 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Jan. 6 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Jan. 7 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales
Auction Averages

November, 1987	$5,951
Month ago	$6,001
Year ago	$5,181

Model Breakdown
Auction Averages

	DEC 1987	NOV 1987	OCT 1987
1987	$10,140	$10,564	$11,220
1986	$8,322	$8,454	$8,624
1985	$7,127	$7,199	$7,257
1984	$5,574	$5,640	$5,711
1983	$4,791	$4,844	$4,897
1982	$3,441	$3,504	$3,549
1981	$2,516	$2,542	$2,549
1980	$1,962	$1,996	$2,022
Overall Average	$5,898	$5,951	$6,001

AUCTION DIRECTORY

ALABAMA

AUTO DEALERS EXCHANGE
of BIRMINGHAM
Proudly Presents our First
GENERAL MOTORS FACTORY SALE
TUESDAY, JANUARY 12th - 10:00 A.M.

Below Is a List of the Day's Events:

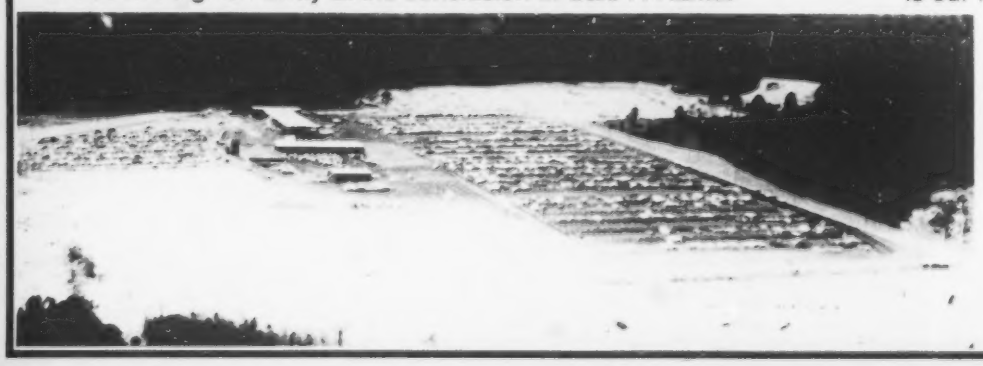
I. 500-600 G.M. UNITS—Cleaned the Birmingham way. You will not find G.M. Factory units more front-line ready than you will at A.D.E. We take "pride" in having the best reconditioned vehicles in the country.—Come judge for yourself.

II. Free Southern Country Breakfast—Country Ham, Eggs, Grits, Home Fries and Home Made Biscuits & Gravy.

III. Early Bird Drawing--$500.00 in CASH will be given away at 10:00 A.M. sharp. Several thousand dollars in Prizes to be given away at the conclusion of Sale-A-Rama.

IV. Free Airport Pickup—Convenient lodging at the exclusive Rime Garden Inn where A.D.E. special rates for suites are $56 per nite (The motel on the auction premises could possibly be ready for occupancy for this first sale). Call Gayle today for Auction Registration and Motel Reservations (205) 699-1010.

V. The most relaxing atmosphere you will ever experience at any auction with genuine Southern hospitality and service at its best where your courteous treatment is our first concern.



AUTO DEALERS EXCHANGE OF BIRMINGHAM
804 Sollie Drive, P.O. Box 130
Moody, Alabama 35004
Phone: 205-699-1010

Located 15 minutes East of Birmingham,
1/2 Mile North of I-20 on Hwy 411
(Eastbound on I-20 exit 144,
Westbound on I-20 exit 144.)

PRODUCTION

'87 car output off 9%

By Karen Detkowski
SPECIAL CORRESPONDENT

As production for the year ended last Wednesday, the estimated output of 7,022,521 cars in 1987 was down 9.21 percent from the 7,734,489 produced last year.

Showing gains for this year's estimated production were Ford Motor Co. with 1,816,447 units, up 3.95 percent; Honda of America Manufacturing Inc., 321,862, up 37.88 percent; and Nissan Motor Manufacturing Inc., U.S.A., 113,272, up 79.62 percent.

Posting production declines (estimated totals) compared with 1986 were American Motors, 15,994 units, down 66.91 percent; Volkswagen of America, 66,193, down 19.62 percent; General Motors, 3,417,057, down 16.30 percent; Chrysler Motors, 1,084,580, down 15.54 percent; and New United Motors Manufacturing Inc., 182,790, down 5.47 percent.

With only three working days and no overtime scheduled because of the holidays, last week's targeted domestic auto production dipped considerably from the prior week's output.

The automakers' estimated build of 75,065 was down 42.00 percent from the previous week's 129,420, and 12.19 percent below the year-ago week's 66,909 when there were two working days.

Last week's scheduled output was shared as follows: General Motors, 39.17 percent; Ford Motor, 31.89 percent; Chrysler Motors, 21.31 percent, Honda of America Manufacturing Inc., 4.56 percent; Volkswagen of America, 1.60 percent; Nissan Motor Manufacturing Inc., U.S.A., 1.07 percent; and Mazda Motor Manufacturing U.S.A. Corp., 0.40 percent.

Production is scheduled to re-Jan. 4.

Truck production rises 9%

Estimated domestic truck production for 1987 totaled 3,807,934, an increase of 9.31 percent over the running total for 1986. Truckmakers ended production for the year last Wednesday.

Increases over 1986 were reported by Dodge/Plymouth, up 111.58 percent; Jeep, up 17.66 percent; Ford Motor Co., up 7.07 percent; Navistar International, up 4.33 percent; and GMC, up 4.20 percent.

Posting production decreases for 1987 were: Nissan, down 6.43 percent and Chevrolet, down 0.26 percent.

Assembly plants are scheduled to resume production on Jan. 4.

Canada: Trucks top cars

Cars were down, trucks were up, and the combined 1987 production total for Canada's makers fell 207,045 units below last year's level.

Estimated auto production for 1987 was 802,581 units, 24.01 percent below 1986's total of 1,056,145 units.

Estimated truck production for 1987 was 817,320, 6.04 percent above the 770,801 units produced last year.

Car production last week was 14,151 units, 36.49 percent below the previous week's 22,280.

Last week's three-day truck output, scheduled at 10,993 units, was 41.74 percent below the previous week's 18,868, but 119.29 percent above the year-ago week's 5,013 when there were two production days.

Volvo's new car plant opened Dec. 14 in Halifax, Nova Scotia.

Production in Canada is scheduled to resume Jan. 4.

CANADIAN CAR	Week Ended Dec. 26, 1987	Week Ended Dec. 27, 1986	Week Ended Dec. 19, 1987	Dec. Est.	Jan. 1 to Dec. 26, 1987	Jan. 1 to Dec. 27, 1986
CHRYSLER	856	0	1,345	4,508	12,579	4,359
FORD MOTOR	7,200	4,597	11,103	37,177	431,825	520,304
GENERAL MOTORS	5,712	4,673	9,075	30,724	334,303	521,498
HONDA	283	0	498	1,579	15,536	0
VOLVO	90	90	259	349	8,338	9,984
Total Cars, Canada	14,151	9,360	22,280	74,338	802,581	1,056,145
U.S. TRUCK☆						
CHEVROLET	13,426	8,214	25,080	83,671	1,122,477	1,125,441
DODGE/PLYMOUTH	8,000	1,940	7,670	31,249	317,512	150,068
FORD	18,778	12,549	32,079	108,507	1,468,098	1,371,173
GMC	4,564	2,562	6,140	22,291	370,012	355,098
NAVISTAR	1,074	848	1,790	6,146	74,893	71,788
JEEP	2,700	1,589	4,692	15,797	221,110	187,917
NISSAN	1,950	699	3,228	10,980	99,922	106,783
AM GENERAL*	270	20	450	1,530	17,370	2,474
MISCELLANEOUS*	1,380	920	2,300	7,820	116,540	112,792
Total Trucks, U.S.	52,140	29,141	83,429	287,992	3,807,934	3,483,534
CANADIAN TRUCK						
JEEP	510	0	880	3,407	36,136	27,147
CHRYSLER	4,206	3,067	8,110	26,780	383,782	399,148
FORD	2,280	1,269	3,678	12,392	151,467	145,822
GENERAL MOTORS	3,870	578	5,975	20,189	236,120	189,337
NAVISTAR	127	79	225	750	9,835	9,347
Total Trks., Canada	10,993	5,013	18,868	63,528	817,320	770,801
U.S., Canada Trks.	63,133	34,154	102,297	351,520	4,625,254	4,254,335

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-ordered vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Dec. 26, 1987	Week Ended Dec. 27, 1986	Week Ended Dec. 19, 1987	Dec. Est.	Jan. 1 to Dec. 26, 1987	Jan. 1 to Dec. 27, 1986
AMERICAN MOTORS	0	0	0	0	15,994	48,336
Renault Total	0	0	0	0	15,994	48,336
Alliance	0	0	0	0	15,994	44,989
Encore	0	0	0	0	0	3,347
CHRYSLER MOTORS	16,300	9,189	24,056	88,368	1,084,580	1,284,085
Plymouth Total	5,400	3,410	8,055	26,715	319,522	417,408
Horizon	900	1,274	1,119	4,136	45,363	170,099
Sundance	1,000	761	1,713	6,117	89,157	36,144
Reliant	2,700	1,068	4,021	13,100	135,936	149,821
Caravelle	700	307	1,065	2,769	42,861	43,958
Gran Fury	100	0	117	593	7,105	17,586
Chrysler Total	4,400	1,895	5,729	23,112	354,584	365,249
Laser	0	0	0	0	0	26,978
LeBaron K	600	503	1,063	3,509	63,753	83,510
LeBaron J	1,800	425	2,251	9,113	113,596	2,820
LeBaron GTS	400	332	444	1,751	37,118	62,251
N. Yorker E-Class	0	635	0	0	57,102	72,291
N. Yorker C-Class	800	0	989	4,617	18,742	0
Fifth Avenue	600	0	982	4,121	64,273	117,399
Dodge Total	6,200	3,864	10,274	38,541	410,474	501,428
Daytona	1,000	235	1,529	5,929	63,214	32,963
Omni	800	1,206	1,114	4,010	39,785	161,734
Shadow	1,500	747	2,449	8,240	95,543	34,480
Aries	1,400	971	2,933	11,042	126,067	125,066
Dodge 600	300	432	800	2,322	39,636	63,727
Dynasty	900	0	1,123	4,793	8,419	0
Lancer	100	273	234	919	22,865	47,375
Diplomat	200	0	292	1,287	14,945	36,083
FORD MOTOR	23,940	16,641	39,893	136,309	1,816,447	1,747,471
Ford Division	17,436	11,395	28,726	99,377	1,307,275	1,210,516
Escort	5,584	2,983	9,496	31,950	390,919	374,650
Mustang	2,779	1,766	4,635	15,754	212,272	177,623
Tempo	2,459	1,870	3,616	14,035	144,427	196,666
Taurus	4,886	3,772	8,101	27,251	403,859	330,304
Thunderbird	1,728	1,004	2,878	10,387	155,798	131,273
L-M Division	6,504	5,246	11,167	36,932	509,172	536,955
Mercury Total	4,012	3,618	6,410	22,369	326,883	356,366
Lynx	0	456	0	0	21,352	59,991
Capri	0	0	0	0	0	12,344
Topaz	841	330	1,130	4,502	46,582	56,852
Cougar	1,733	1,511	2,892	9,230	137,356	101,736
Sable	1,438	1,319	2,388	8,637	121,358	125,443
Lincoln Total	2,492	1,628	4,757	14,562	182,289	180,589
Continental	379	162	707	2,103	13,474	19,384
Lincoln	1,780	1,220	3,399	10,414	140,567	135,448
Mark VII	333	246	651	2,046	28,248	25,757
GENERAL MOTORS	29,404	35,726	54,915	212,033	3,417,057	4,082,387
Buick Total	3,392	6,906	5,284	26,988	547,252	766,586
Skyhawk	639	745	825	3,124	34,052	81,304
Century	0	2,160	0	5,129	152,152	229,128
Regal (rwd)	0	556	0	884	40,235	59,692
Somerset/Skylark	0	953	0	2,353	62,909	109,885
LeSabre (fwd)	1,440	1,249	2,380	8,192	141,073	154,070
LeSabre (rwd)	126	152	168	755	9,911	15,001
Electra (fwd)	1,046	719	1,691	5,998	93,678	89,967
Riviera	141	372	240	853	13,242	26,049
Cadillac Total	2,981	2,918	6,712	22,343	272,486	316,091
Cimarron	0	141	22	177	10,233	22,971
Allante	90	16	110	385	4,610	53
Brougham (rwd)	0	1,599	1,883	5,519	75,141	75,175
DeVille (fwd)	2,028	478	3,345	11,463	141,129	170,235
Eldorado	495	264	752	2,723	20,243	25,217
Seville	368	420	600	2,077	21,130	22,440
Chevrolet Total	12,118	12,015	25,181	92,031	1,359,093	1,294,928
Chevette	0	920	0	0	0	105,578
Camaro	1,511	1,283	2,209	8,366	120,532	170,649
Cavalier	4,515	3,476	7,249	24,298	310,678	389,715
Celebrity	0	2,646	0	7,220	283,320	257,599
Corsica/Beretta	2,220	791	9,156	27,126	345,405	14,616
Monte Carlo	0	647	10	3,093	72,041	106,427
Caprice	3,488	1,993	5,915	19,808	198,935	220,361
Corvette	384	259	642	2,119	28,182	27,983
Oldsmobile Total	3,944	6,572	6,397	30,094	593,162	916,776
Firenza	297	363	417	1,406	14,181	37,668
Calais	0	1,008	0	5,190	113,679	118,899
Cutlass Ciera	0	1,842	0	197	108,395	234,475
Cutlass Supreme	0	345	0	2,825	73,126	106,038
88 (fwd)	2,077	1,707	3,433	11,860	176,936	269,557
88 (rwd)	240	74	350	1,326	15,000	18,916
Olds 98	1,062	948	1,754	5,962	72,038	112,546
Toronado	268	285	428	1,510	16,209	18,679
Pontiac Total	6,969	7,317	11,341	40,577	645,064	788,006
Acadian*	0	45	0	0	0	16,772
Fiero	714	574	1,046	3,706	33,434	66,656
1000	0	192	0	0	0	21,049
Firebird	913	749	1,231	4,776	77,032	103,905
2000 Sunbird	1,221	924	2,230	7,680	98,217	129,707
Grand Am	2,880	2,079	4,647	16,470	245,955	229,202
6000	0	1,096	0	926	67,496	132,378
Bonneville	1,161	1,408	1,872	6,507	123,824	37,400
Safari/Parisienne	80	150	115	511	9,106	49,937
HONDA	3,420	1,904	6,715	22,380	321,862	233,440
Civic	960	377	2,044	6,547	88,695	20,498
Accord	2,460	1,527	4,671	15,833	233,167	212,942
MAZDA	297	0	533	1,725	4,326	0
NISSAN	804	1,180	1,290	4,492	113,272	63,061
NUMMI	0	1,474	0	5,817	182,790	193,362
Corolla	0	425	0	1,984	42,065	12,107
Nova	0	1,049	0	3,834	140,725	181,255
VOLKSWAGEN	1,200	813	2,016	6,545	66,193	82,347
Golf/GTI	780	713	1,316	4,225	48,780	81,197
Jetta	420	100	700	2,320	17,413	1,150
Total Cars, U.S.	75,065	66,909	129,420	477,669	7,022,521	7,734,489
Total Cars, Canada	14,151	9,360	22,280	74,338	802,581	1,056,145
U.S., Canada Cars	89,216	76,269	151,700	552,007	7,825,102	8,790,634
U.S., Canada Trks.	63,133	34,154	102,297	351,520	4,625,254	4,254,335
U.S., Canada Cars and Trks.	152,349	110,423	253,997	903,527	12,450,356	13,044,969

*—All Acadians are built for sale in Canada. **—Estimated.
Monthly estimates may contain error of one or two units due to rounding.

'87 recalls 3rd highest: 8.9 million

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA recalled 8,857,000 vehicles through Dec. 22 and has termed 1987 "a year of significant highway safety accomplishments."

The affected vehicles were included in 173 separate recall campaigns. Of those, 70.4 percent or 6,237,000 vehicles were influenced by investigations made by NHTSA's Office of Defects Investigation.

Calendar-year 1987 recalls were highlighted by: 3.6 million Ford vehicles to correct a fuel coupler clip; 1.1 million General Motors cars to fix a driver's seat that could tip backwards; three separate recalls of Audi 5000 cars for so-called sudden acceleration; 184,000 Nissan 280-Z and 300-ZX cars for sudden acceleration; and 126,000 Pontiac Fieros for engine compartment fires.

Only twice in the agency's 20-year history has the number of recalls been higher. In 1972, recalls amounted to 11,952,000 because several recalls involved millions of vehicles (3.7 million Volkswagens for a windshield-wiper situation, 4 million Fords with a possible broken plastic grommet in the shoulder belt and more than 1 million Fords with a possible defective steering lock pin).

In 1977, recalls amounted to 12,444,000, again with million-plus campaigns (2.2 million GM cars with possible power brake booster failure, 1.4 million Honda motorcycles for fuel filter caps and 1.3 million Chrysler vehicles for possibly defective accelerator pumps).

NHTSA administrator Diane Steed said the highway fatality rate in the United States is at an all-time low and safety belt use has tripled in recent years, rising from 12 percent to 42 percent. The increase is attributed to the fact that 31 states and the District of Columbia have passed belt-use laws.

In addition, the number of drunk drivers killed in traffic crashes declined 22 percent from 1980 to 1986, NHTSA said.

NHTSA also said that automakers are paying more attention to safety than ever before. More advertise safety and are including safety features voluntarily. These include air bags, anti-lock brakes, safety glass, rear-seat three-point belts and the center high-mounted rear stoplamp before it was required.

OBITUARIES

Emil P. Morock

ALEXANDRIA, La. — Emil P. Morock, 69, former owner of Morock Ford and Morock Lincoln-Mercury dealerships here, died Nov. 24.

Byron D. Brown Sr.

LITTLE ROCK, Ark. — Byron D. "Pete" Brown Sr., 72, retired owner and founder of Brown Ford, Sheridan, Ark., died here Nov. 15. He opened the dealership in 1955 and retired in 1978.

William K. Eggers

RIVERDALE, N.J. — William K. Eggers, retired assistant zone service manager for Buick, White Plains, N.Y. zone, is dead. He worked for Buick from 1947 until August 1987.

C2700-1

Automotive News®

January 4, 1988

©Entire contents copyright 1988, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

63rd year—$55.00 per year, $1.50 per copy

Top Idea Olympics award winner, Full Road Runner, climbs hills or stairs on anywhere from four to 10 wheels

TOYOTA TOYS: *Engineers go for fun in annual idea contest*

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Toyota's 12th Idea Olympics featured a human piston, an all-wheel steering vehicle that spins on a row of soccer balls, a candle that burns upside down, and a drawer that opens in four directions.

There was just enough silliness to satisfy the exacting standards of the Toyota Engineering Society, an informal in-house group that oversees the annual affair. Although a number of patents have been taken out on exhibits over the years, the society insists the projects are supposed to be for fun.

The point, according to the group, is to cultivate creativity, but the ideas are not supposed to be too job-related.

The first exhibit in 1977 attracted 175 entries but interest picked up to include 4,648 in 1987.

The top award in 1987 went to the Full Road Runner, a vehicle that climbs hills or stairs on anywhere from four to 10 wheels, and can also lift the body high enough to give the driver an unobstructed view in congested traffic.

see TOYOTA TOYS, page 4

New Continental bows as sellout; Premier slower

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford and Chrysler sought to win their way into the hearts and wallets of a shopping-weary America with new-car launches last week. And it appears that they've managed to get some attention.

The two cars — the Lincoln Continental and the Eagle Premier — carry big hopes for the automakers. The Premier, an intermediate sedan inherited from American Motors, arrives as the flagship car in Chrysler's new Jeep-Eagle Division.

The $15,000 (typically equipped) Premier also marks a step into pricier ranks for Chrysler's former AMC dealers, who are used to selling Alliances for less than half that amount.

The 1988 Continental, meanwhile, brings a front-wheel-drive, European-styled luxury sedan into the Lincoln-Mercury lineup. With it, the division hopes to put a dent in the impression that says size, comfort and handling don't mix in an American car. If early signs are any indication, the $26,000 Continental has already won some believers.

Consider these examples:

- Production at Ford's Wixom, Mich., assembly plant is sold out at least until March. Dealers say they've taken as many as 40 orders for the car, even though only a handful have arrived from the factory.
- Jim Stewart, a shoe retailer in the Tampa area, has been leasing a Continental for $350 a month as part of an early evaluation program. Stewart, who currently owns a Mercedes-Benz 560, is "on the verge of ordering" a Continental. A self-described car nut, he proclaims: "When it comes to an American-built automobile, they have probably done the finest job of anybody on the market right now."
- With Continentals selling before they reach the showrooms, dealers are renting the cars themselves just to have something to show customers. L-M put the first 700 Continentals in Budget Rent-A-Car fleets.

"I've been a Lincoln-Mercury dealer for 20 years, and I can't remember ever having a car that people were asking so many questions about prior to seeing it," said William Stalnaker, a dealer in Ocala, Fla.

But the feelings upon first sight haven't all been favorable. A salesman in Dearborn, Mich., reported that reaction to the Continental has been divided evenly between the breathless and the less-than-impressed.

see LAUNCHES, page 6

Commerce is bullish: 10.6 million for 1988

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Commerce Department believes sales of new cars and trucks in 1988 are likely to increase by several hundred thousand units from the depressed 1987 level, although sales of North American cars built by the Big 3 will decline by 380,000 units.

The forecast for 1988 — 10.6 million passenger cars and 5 million light trucks — is contained in the Commerce Department's annual report on the economy. The 1987 estimate is 10.3 million cars and 4.8 million light trucks.

The Commerce Department's projections for total vehicle sales in 1988 are higher than most other forecasts.

Latest predictions from the Big 3 are: General Motors, 10.1 million cars and 4.8 million trucks; Ford Motor Co., 10 million cars and 5 million trucks; and Chrysler Corp., 9.5 million cars and 4.7 million trucks. The Big 3 truck estimates are for all sizes, not just light units.

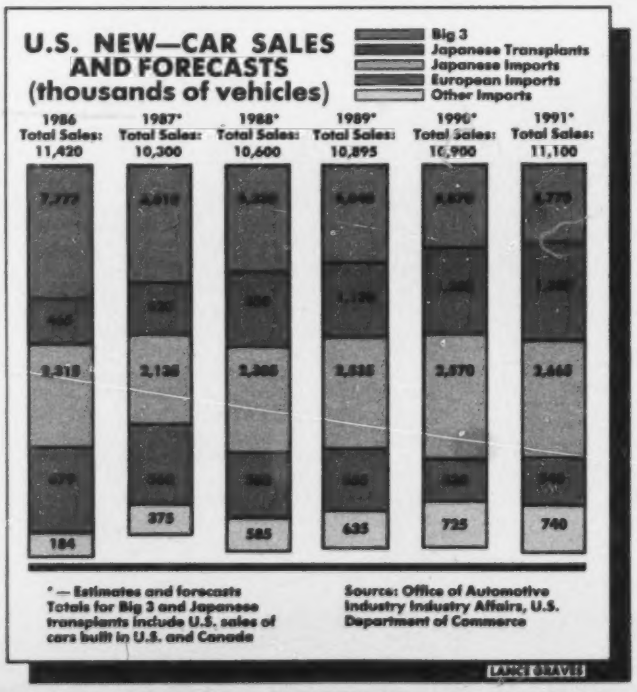
The National Automobile Dealers Association has predicted sales of 9.9 million cars and 4.4 million light trucks in 1988, and several Wall Street analysts also have estimated that 1988 sales will be considerably lower than the Commerce Department's forecast.

The Commerce Department is predicting sales of 6.2 million cars built by traditional North American manufacturers this year, down from the estimated 6.6 million cars they sold in 1987.

Sales of North American-built Japanese cars are expected to increase to 850,000, up from 620,000 in 1987.

The Commerce Department is

see COMMERCE, page 4



Diamond-Star may not be Plymouth-only

LOS ANGELES — A version of the front-wheel-drive sport coupe coming from Diamond-Star, the Chrysler-Mitsubishi joint venture, may be available at Chrysler Motors dealerships other than Plymouth.

Production of the car, now codenamed X2S (Automotive News Dec. 14), is scheduled to start in late 1988, and the car is to go on sale in February or March of 1989.

At the car's public debut at the Greater Los Angeles Auto Show, John D. Withrow, Chrysler Motors executive vice president of product development, said the car will "initially" be sold only by Plymouth dealers. A Chrysler spokesman said it was a possibility that a version of the car will be available to other Chrysler dealers later. He did not elaborate.

Withrow said pricing for the car will range from under $10,000 to under $16,000.

— Francis J. Gawronski

INSIDE:

Big 3 yen for share of Japan's import sales — Page 2

Center to help jobless VW workers — Page 3

Auctions report dip in sales — Page 31

NEWSPAPER

ATV accord halts sale of 3-wheelers

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The government last week reached an agreement with the makers of all-terrain vehicles by filing both a federal suit and a preliminary consent decree. The consent decree is expected to become final in 45 days.

The agreement includes a stipulation that companies must immediately stop selling three-wheelers and buy back those in dealer inventory.

The Justice Department tried unsuccessfully to get Honda, Yamaha, Suzuki and Kawasaki to recall all three-wheelers voluntarily.

The lawsuit tries to keep the door open for eventual repurchase, and the Consumer Product Safety Commission can try to get voluntary repurchase.

The Justice Department believes it does not have the authority to mandate a recall under the legislation governing the commission. Hence, it opted for some immediate relief rather than face long and costly litigation over buyback.

The provisions of the preliminary settlement, which include both three- and four-wheel vehicles, include:

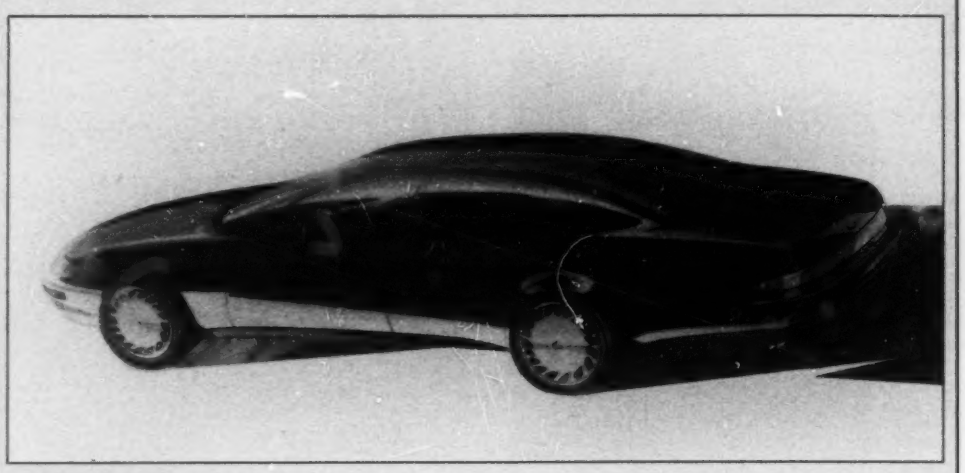
- Company notice to all known ATV owners of the risk involved.
- All U.S. distributors and dealers must display a large warning notice.
- Companies must affix warning labels on all ATVs; must include warnings in owner's manuals; must set up a free hotline to answer consumer questions; must offer free hands-on training to all future ATV buyers and to persons who have purchased them during the past year; must agree to specific advertising guidelines; and must agree to a "massive" public awareness program to inform the public of the minimum age of drivers for ATVs with specific engine sizes.

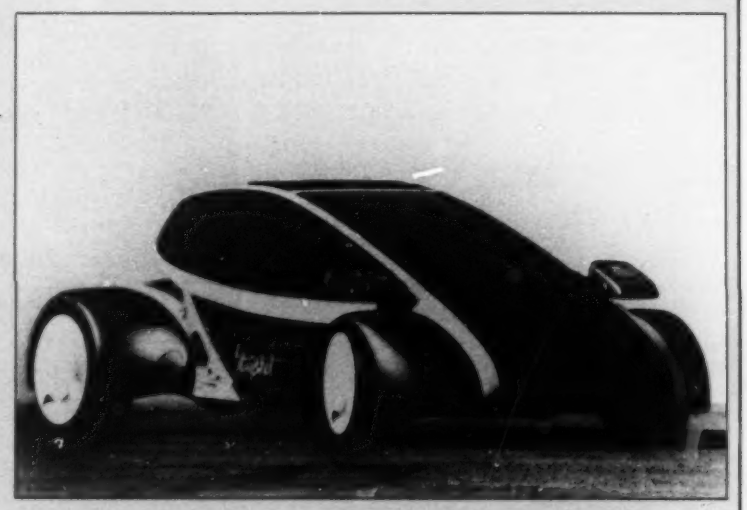
The Consumer Product Safety Commission will work with the industry in setting performance standards for ATVs.

The National Association of Attorneys General will meet this week to consider state actions on requiring helmets and licenses and developing a model law.

Rep. James Florio, D-N.J., chairman of a House subcommittee overseeing the commission, criticized the agreement and promised legislative action soon.

An estimated 2.3 million ATVs are currently in use; about two-thirds are three-wheelers. Between January 1982 and September 1987 more than 900 deaths have been blamed on ATVs.





Peek at L.A. show
Those attending this week's Greater Los Angeles Auto Show have an opportunity to view an artist's rendering of the 1990 Lexus, above, the car that will be offered by Toyota's new luxury division. The four-door sedan will be powered by a V-8 engine featuring multi-valve, multi-cam technology. Also on display at the show is Plymouth's Slingshot, right, a rear-engine concept car that has a carbon fiber chassis and adjustable four-wheel independent suspension.

Job center to help VW workers

State, private group offer training to Westmoreland employees

NEW STANTON, Pa. — The state and a private Westmoreland County group plan to set up a job center to assist Volkswagen plant employees who will lose their jobs later this year.

The center will help people with job searches, retraining, state unemployment compensation and federal assistance, said Frank Mont, deputy secretary of the state Department of Labor.

The department and the Private Industry Council of Westmoreland-Fayette Inc., headquartered in Greensburg, will set up the center in the employees' cafeteria of the New Stanton plant, he said.

"It's a proven fact, the earlier the intervention, the more successful people are in finding work and in jobs that match their standard of living or with only a slight reduction," Mont said.

Volkswagen announced in November that it will close the plant by the end of the 1988 model year because of sagging sales.

Mont said 2,500 employees, who produce 400 cars a day, will lose their jobs. Another 2,500 to 3,000 laid-off workers will be served first at the center.

Some employees will be laid off in April when production of the Jetta is halted, Mont said. The remaining workers will be furloughed in July or early August when production of the Golf ceases.

The state Department of Labor will contribute about $1.4 million to the effort, Mont said, and the Private Industry Council is applying for federal funds from the U.S. Department of Labor.

Volkswagen plans to provide the center with telephones, a WATS line and personal computers linked to the Bureau of Employment Security's computer.

UAW Local 2055 will provide various materials, including a workbook explaining employee benefits and programs, Mont said.

Despite plans for the center, Mont and John Sproull, Private Industry Council finance and operations manager, said they still hope another automaker will take over the 10-year-old plant.

"The state administration is proceeding very actively to find a buyer," Mont said. "We're still planning this while the other activity is going on because this is so time-consuming. But we're still going full steam ahead on trying to develop another employer for the facility."

— The Associated Press

7 states ask speed hike to 65 on some roads

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Seven states of a possible 20 have applied for federal permission to raise their speed limit to 65 mph for four years on rural, four-lane roads that have the same safety features as the interstate system.

The states are California, Florida, Illinois, Iowa, Kansas, Kentucky and Oklahoma.

Under the spending law passed by Congress before the Christmas recess, 20 states were given the chance, on a first-come, first-served basis, to apply for permission to raise speed limits on eligible roads.

Last April, Congress allowed a 65-mph limit on rural sections of interstate highways.

This latest exception to the national 55-mph speed limit occurred despite the vigorous protests of a number of lawmakers and safety advocates, including Joan Claybrook, former NHTSA administrator, who argued that higher speeds will cause more highway deaths.

At the same time, NHTSA released its latest preliminary data about fatalities on rural interstate highways. Although 27 states had chosen the higher limit before the end of May and 11 others did so later, NHTSA used data from only 22 states which had raised the limit and compared it to seven states that retained the 55-mph limit. The preliminary data showed a 52 percent increase in deaths on those rural sections of the interstate system with a 65-mph speed limit.

However, NHTSA surrounded its data with numerous caveats, saying it has not yet had a chance to analyze other relevant factors such as actual travel speeds, total crash statistics, alcohol involvement, vehicle miles traveled and types of vehicles involved. Deaths on those rural sections of interstate roads account for less than 5 percent of total highway deaths.

Brian O'Neill, president of the Insurance Institute for Highway Safety, called NHTSA's preliminary data "even worse news than we expected."

IIHS also said that in New Mexico — the first state to raise the speed limit on rural interstate highways — the proportion of cars exceeding 70 mph was twice as high in November as in August and four times as high as in April when Congress first allowed breaching the national 55-mph limit.

INDEX

Classifieds	32
Coming events	13
Dealing with dealers	39
News briefs	8
Obituaries	6
Opinion	10
Personnel	26, 27
Truck industry	12

63rd year—No. 5214

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

FRUSTRATION CHASER:

Driver presses a button, zaps road rivals — symbolically

CHARLOTTE, N.C. — Cruising down the freeway at 65 mph, the BMW driver barely avoids a collision with the tractor-trailer that just pulled into his lane.

The BMW driver doesn't curse or make an obscene gesture. Instead, he hits the button on a little black box on his instrument panel. Lights flash, and the driver rakes the truck with several rounds of simulated machine gun fire.

It's the Revenger, a $20 adult toy.

"We began shipping them out in early November," said Mike Grubbs, vice president of Express Yourself Inc., a toymaker in Charlotte. "The department stores are jumping on them."

There are options to the machine gun, Grubbs

said: "He could have blasted the truck with the death ray or my personal favorite, the grenade launcher."

Most buyers have been men in their 20s or 30s who want to "rub out" motorists who cut them off or cause them grief in bumper-to-bumper traffic, Grubbs said.

While some psychologists have said the device sets a poor example for children and could lead to violence, Grubbs said it can have beneficial effects.

The Revenger allows a driver to let out his anger without resorting to dangerous driving or obscenities, he said, and the sound cannot be heard outside the car.

"It's a fun way of dealing with your frustrations," he said.

"Because traffic is so bad in many parts of the country, there's a lot of frustration, and there's a need to reduce anger without the L.A. solution," said David McMahan, designer of the Revenger.

But he said the Revenger was designed before a series of freeway shootings last summer in Southern California.

— The Associated Press

TOYOTA TOYS

FROM PAGE 1

The All-Wheel Steer car and its soccer ball complement were the contribution of the Vehicle Testing and Research Department at the Higashi-Fuji Center, where most of the company's soccer team is employed.

The Human Piston featured a man peddling away, bobbing up and down inside, as a light indicating sparks flashed overhead. The idea was conceived by an engineer, Hideo Miwa, who wanted to demonstrate how a piston works to his son.

Other projects reflected more wishful thinking, such as the living car, which is a van that can expand into a living room, or the lazy man's fishing car that extends its own lake-side dock.

Although the engineering group keeps insisting on the fun nature of the exercise, there are certainly some productive crossovers. The engineers who produced the Full Road Runner had to learn about bodywork, fiber-reinforced plastics and painting to get their project off the ground.

Some patents were filed on the vehicle, but the governing group for the Idea Olympics does not want to identify them because it wants to downplay any quest for patents.

Six years ago, Takahiro Iwase, a director of the Toyota Engineering Society committee, filed a patent on his exhibit — a protractor that could rapidly determine the percentage of a given angle. But he cannot do anything with the patent because technically it belongs to the society, which refuses to sell or follow up on any patent.

Every year a large percentage of the entries are discarded for being too close to a real job situation. In 1987 there was a suggestion for automating the painting system that draws lines on a factory floor. Such ideas, presumably, are welcome in a suggestion box but not in a contest set up to inspire flexible creativity.

Also in 1987, one entry was labeled 3WS. The model included an extra wheel joined under the body that easily slipped into place in the event of a flat tire. It made the exhibit, but just barely. The vehicle was nearly too close to reality to make it.

Clockwise, from top left: Human Piston, done by an engineer who wanted to demonstrate how a piston works to his son; 3WS includes an extra wheel under the body that slips into place in the event of a flat tire; the living car, a van that can expand into a living room; all-wheel steering vehicle spins on a row of soccer balls

COMMERCE

FROM PAGE 1

anticipating total imported-car sales of 3.5 million vehicles, up from an estimated 3.1 million in 1987.

The increase in imported-car sales is expected to come from non-European producers. European importers are expected to sell 550,000 cars in the United States this year, 10,000 fewer than in 1987.

Japanese manufacturers will sell an estimated 2.4 million imported cars in this country in 1988, up from 2.1 million in 1987, the Commerce Department said. Sales of non-Japanese or non-European imported cars are expected to rise to 420,000 in 1988 from 290,000 in 1987.

"Japanese vehicles are likely to encounter growing sales resistance in 1988 as their prices rise to adjust for the fall of the dollar against the yen," according to a summary of the Commerce Department's projections by the staff of the Office of Automotive Affairs.

It added, "Continued upscale movement by the Japanese manufacturers will provide increased competition for U.S. and European producers. This expansion at the high end of the market could result in additional opportunities for new exporting countries at the low end.

"Further import penetration from new-entrant countries and increased domestic production from foreign-owned plants are expected to reduce traditional domestic vehicle producers' market share."

The Commerce Department forecasts little change in market share for the various segments. It predicts that small passenger vehicles will take 26.3 percent of the 1988 U.S. market compared to 26.4 percent in 1987.

Other market-share estimates are: compact cars, 31.2 percent this year, up from 30.9 percent in 1987; intermediates, 23.9 percent vs. 23.7 percent in 1987; and large/luxury models, 18.6 percent vs. 19.0 percent.

On the truck side, the Automotive Affairs staff said, "With the economy continuing to grow, truck sales are likely to continue to increase about 3 percent. Light-duty trucks and vans seem destined for greater market penetration. The continued market expansion by compact pickups and vans will be at the expense of passenger vehicles and full-sized pickups and vans.

"The market for medium-duty trucks is likely to grow further as new products enter the market and as more businesses come to appreciate the inherent advantages of using these vehicles. Imports now seem firmly entrenched in this market segment, and further efforts to expand market share are inevitable.

"Expansion in the use of Class 7 vehicles where Class 8 vehicles previously reigned supreme is probable. As long as the economy continues to expand, even at a modest rate, Class 8 vehicle sales should remain relatively stable," the forecast said.

The Commerce Department is projecting an increase of about 2 percent in auto parts shipments in 1988 (based on constant dollars) in response to basically healthy overall vehicle sales.

The report warns, however, "The small increase could vanish if domestic Japanese manufacturers make sourcing decisions that exclude U.S.-located firms, or if U.S. parts firms are complacent about exporting."

Copies of the Commerce Department forecast, "U.S. Industrial Outlook 1988," can be obtained by sending $24 to: Superintendent of Documents, Washington, D.C. 20402.